GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2261
ANSWERED ON:10.03.2006
BUSINESS OF FOREIGN AND NATIONALISED BANKS
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Will the Minister of FINANCE be pleased to state:

(a) whether foreign banks are doing more business than nationalised banks;

(b) if so, the reasons therefor;

(c) whether the Government have examined the issue and total business done by the nationalised banks and foreign banks during 2005-06; and

(d) the steps the Government proposes to take to ensure that nationalised banks do more business than foreign banks?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) to (c) No, Sir. During the fiscal 2005, the public sector banks have recorded total business of Rs. 22,90,524 crore as compared to Rs. 1,61,823 crore by foreign banks. The details of business of public sector banks and foreign banks and their share in total banking business for the last two years are as under :-

Total Business (Rs. in crore)

Bank group	March 2004	March 2005
Scheduled Commercial Banks	24,39,285	29,88,531 (22.5)
Foreign Banks	1,40,263	1,61,823 (15.4)
Public Sector Banks	18,59,577	22,90,524 (23.2)

Share of Business (in %)

Bank group	March 2004	March 2005
Foreign Banks	5.8	5.4
Public sector Banks	76.2	76.6

Figures in brackets is percentage growth in business over the last year.

(d) To facilitate quick and efficient decision-making and to improve their competitiveness, the Government announced an Autonomy Package on 22.02.2005 for the public sector banks. Further, the Government has put in place a mechanism to monitor the performance of all Public Sector Banks on the basis of the `Statement of Intent on Annual Goals` submitted by them.